

MINUTE ITEM

30. QUITCLAIM OF OIL AND GAS LEASE P.R.C. 1744.1, TIDEWATER OIL COMPANY, SUMMERLAND, SANTA BARBARA COUNTY - W.O. 3256.

After consideration of Calendar Item 5 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO ACCEPT A QUITCLAIM AND TO TERMINATE OIL AND GAS LEASE P.R.C. 1744.1, EFFECTIVE JUNE 12, 1959, IN ACCORDANCE WITH SECTION 5 OF THE LEASE AS REQUESTED BY THE LESSEE, TIDEWATER OIL COMPANY.

Attachment

Calendar Item 5 (1 page)

CALENDAR ITEM

5.

QUITCLAIM OF OIL AND GAS LEASE P.R.C. 1744.1, TIDEWATER OIL COMPANY,
SUMMERLAND, SANTA BARBARA COUNTY - W.O. 3256.

Oil and Gas Lease P.R.C. 1744.1, covering an area of tide and submerged lands containing approximately 500 acres, was issued to Tidewater Oil Company on July 2, 1956, pursuant to competitive public bidding. The lessee complied fully with the drilling and operating requirements of the lease through August 11, 1957, at which time the Commission authorized a deferment of drilling and operating requirements until February 11, 1958. On January 13, 1958, and on March 10, 1958, further deferments of drilling and operating requirements to May 12, 1958, were authorized.

On May 5, 1958, operations for the drilling of a second well were initiated. This well did not develop commercial production and was abandoned on May 31, 1958. On July 25, 1958, and on December 11, 1958, further deferments of drilling and operating requirements were authorized until June 30, 1959, subject to the express condition that during the period of deferment the lessee would perform one of the following actions:

1. Initiate development on the lease;
2. Quitclaim the entire lease area;
3. Present new adequate bases for consideration as to any further deferment of drilling and operating requirements under the lease.

During the time drilling operations were conducted, two wells were drilled into the leased area. One well was redrilled to a different bottom-hole location, making the equivalent of three wells drilled. In the course of drilling these wells, numerous cores and samples were taken, and electric logs and other surveys of all types were run. No production was developed within the lease.

Section 5 of the lease provides that the lessee may at any time file with the State a written quitclaim of all rights under this lease. Such quitclaim or relinquishment shall be effective as of the date of its filing, subject to the continued obligation of the lessee and his surety to make payment of all rental and royalties theretofore accrued and to place all wells on the land in condition for suspension or abandonment in accordance with the terms of the lease and the rules and regulations of the State.

The lessee has submitted a quitclaim to surrender and terminate the lease effective June 12, 1959, pursuant to the provisions of Section 5 thereof.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO ACCEPT A QUITCLAIM AND TO TERMINATE OIL AND GAS LEASE P.R.C. 1744.1, EFFECTIVE JUNE 12, 1959, IN ACCORDANCE WITH SECTION 5 OF THE LEASE AS REQUESTED BY THE LESSEE, TIDEWATER OIL COMPANY.